

A good deal of speculation is on hand among financiers, as to the effect of the increased supply of gold from California and Australia. The operation of it is clearly enough perceived already. Gold has fallen in value, compared with other property; and the process will continue as long as the increased production of gold outpaces the increase of other property.

We don't see, however, that any ill consequences will result from such a state of things. The end of producing a revolution in business, its tendency is to the contrary. In general, when the supply of money is increasing, the demand for it falls. The increase of bank paper will be better in the future than when it contracts its debt. The increase of bank paper for notes is not ground for apprehensions; for it is not an increase of wealth, after all. It is only an increase of obligations to pay, and the day of reckoning has to come. An increase of gold and silver is a very different affair, and a real increase of wealth; and of that species, too, that is always in demand.

If the decline in the value of gold, were likely to be rapid or sudden, it might create embarrassment; but there is no probability that it will be so much so, as to produce any serious inconvenience.

It may be found necessary, however, to isolate one of the precious metals as a legal tender. England has adopted this policy long since. All attempts of government to fix the relative value of gold and silver are futile, and only tend to leave one metal or the other circulating; the one under valued will disappear, as modest words always do when not duly appreciated.

Let silver be a legal tender for all sums under five dollars—fixing its relative value as nearly as may be; and gold a legal tender for all larger sums. Other countries have found it necessary to adopt this policy, and questions of finance are the same the world over: very little affected by form of government.

The effect of the great influx of gold is visible in the enhanced price of nearly all staple commodities, and the rise will generally continue as long as the production of gold outstrips that of other articles. Questions of this sort, however, are not so much to be feared, as they are often made to be. A proper management of them is exceedingly difficult; and the action of governments on them has seldom been wise. With our recent seasons, legislation had better be left alone.

Increase in the Circulation of Small Notes.
The people of Louisville don't need to be informed of this measure. They have all felt it, and are reminded of it every hour in the day. This cause, together with the enhanced value of silver coin, has banished small change. We need in every transaction with strangers to pay with pictures on them, from the most remote points of the Union. It's of no use, perhaps, to find fault with this measure. The evil is too great to be remedied; and we can't do justice. The interest of no community calls for these small notes; and the legislator who would authorize the issue of them, ought to be on his knees for six months. The revenue people are very patient under the inflictions of bad legislation; and what they are satisfied, who should complain?

Gold by the Tug.—At London, on the 21st inst., three vessels arrived from Australia with upward of seven tons of gold on board. One of the ships, the Eagle, was freighted with the largest amount of the precious metal known to arrive in one vessel, viz: 100,000 ounces (upward of six tons), and of the value of more than \$600,000. The other ships are the Sapphire, from Sydney, with 14,000 ounces on board, and the Pelican from Sydney, with 27,700 ounces. The Matilda, also arrived a day or two since from Sydney, with 14,200 ounces. Great, however, as has been the wealth brought in by the Eagle, the ship did not expect in a few days, which will far surpass it, having on board 250,000 ounces or about ten tons and a half of the precious metal. The Neptune, with 17,000 ounces—the Andromeda, 42,000 ounces, and other ships with as valuable freight, are nearly due.

For the Louisville Democrat.
Messrs. Editors: We perceive from an extract in your paper of yesterday, from the Indiana State Sentinel, that the editor of that sheet is wont to make himself witty at Sirs' expense. We really find it difficult, Sirs, to restrain our wrath under two bounds when we see one of your trying and hypocritical fraternity, apparently with malice aforethought, pitching hissing into the Cabinet we made for President Pierce, and with a single flourish of his goose quill, disintegrating and marring our hard-work. We fired up a Cabinet, and, as we thought at the time, a *fine* one. Witness, then, our surprise and mortification when in comes this wag of the Sentinel, stoutly objecting to one of its members upon the plea of his being a non-resident, that member, as the editor says, having left these mundane shores for parts unknown more than four years ago. The Sentinel men "baldly" ought to have interfered with our Cabinet in this manner, if they had any concern of him, but having been made for the exclusive use and benefit of the President elect.

We took quite a fancy to John Fairfield, while Governor of Maine some years since, for the decidedly pugnacious disposition he showed; and that, too, upon his own responsibility, when Johnny Bull and his people got insolent and prodding on and about the North Eastern boundary line. Since then, having heard but of the gentleman, and knowing him to have been a modest and unassuming man like Frank Pierce, we somehow got the notion into our head that he was not dead, but that he had like Pierce rusticated down east somewhere, waiting the call of his countrymen in case of emergency, to engage in the public service again. But what if John did take his departure hence years ago? It was through no fault of ours, and for all practical purposes it is, perhaps, just as well as if he had not. The fact being disclosed, however, we shall be compelled to give up our Secretary of the Navy, and let Gen Pierce select one himself. All we have to ask of him, is that he will fill the vacancy with as good a man as John Fairfield was.

Never until we beheld the Cabinet we were at so much pains to construct, minus that member, through the officious intermeddling of a Hoosier editor, were we fully prepared to sympathize with a certain distinguished personage, who, on a late, set down with two of his friends in his parlor in the Astor House. Like that notable individual, we are "fired with indignation," but, unfortunately, we have no friends at hand to share the indignation with us.

We must console ourselves for the loss of one member of our Cabinet by the reflection, that, though certain somewhat in its proportions, it is still, by odds, the best Cabinet of the sort extant. Should we ever hereafter determine the business of Cabinet members, we are determined upon one thing, and that is to take the precaution of protesting beforehand against this sort of editorial interference.

O. O. T. S.

